A **LB (LIAN BEE) CONFECTIONERY SDN BHD**

v.

QAF LTD

B FEDERAL COURT, PUTRAJAYA
ZULKEFLI MAKINUDIN CJ (MALAYA)
HASHIM YUSOFF FCJ
AHMAD MAAROF FCJ
[CIVIL APPEAL NO: 02-22-2011(W)]
C 9 FEBRUARY 2012

TRADE MARKS: *Registered trade mark - Expungement - Trade Marks Act 1976, s. 46(1)(b) - Respondent registered proprietor of trade mark "Squiggles" - Appellant had been using trade mark "Squiggle"* D *since 2007 - Similarity of - Licensing agreement executed between respondent and Gardenia Bakeries ('Gardenia') - Rights accorded to Gardenia to use trade mark "Squiggles" - Whether Gardenia a registered user - Contractual activities between respondent and Gardenia - Allegation of - Bona fide use - Whether respondent used its trade mark in good* E *faith - Whether respondent used its trade mark within prescribed statutory period - Whether appellant a "person aggrieved" - Whether appellant has locus standi to make application - Whether registered user precluded to use trade mark before date of application to register - Principle of in bonam partem - Applicability of - Trade Marks Regulations 1997,* F *reg. 81(2)*

The respondent was the registered proprietor of the trade mark "Squiggles" ('the said trade mark') under Class 30 *vide* certificate of registration dated 20 August 2004. The appellant, a private limited company engaged in the business of, *inter alia*, producing G all kinds of bread and buns, contended that it had produced cream filled buns and sold those products using the trade mark "Squiggle" since November 2007. Gardenia Bakeries (KL) Sdn Bhd ('Gardenia') was a subsidiary of the respondent. *Vide* a licensing agreement dated 12 September 1996, Gardenia was H accorded the rights to use trade marks that were owned or acquired by the respondent and this included the said trade mark. The respondent claimed that Gardenia had used the said trade mark since 3 July 2003 upon signing of the licensing agreement and also as a registered user. The appellant filed an application to I

expunge the said trade mark pursuant to s. 46(1)(b) of the Trade Marks Act 1976 ('the Act') wherein the appellant contended that up to one month before the said application was made, a continuous period of not less than three years had lapsed during which the respondent had not used the trade mark in good faith. Hence, the appellant claimed that it was a "person aggrieved" under s. 46(1)(b) of the Act. The High Court disallowed the appellant's application since the appellant had infringed and passed off the respondent's registered trade mark. This decision was affirmed by the Court of Appeal wherein it was held that the appellant was an infringer of the registered trade mark and it was contrary to the spirit of the Act to accord the appellant as a "person aggrieved". Dissatisfied with the said decision, the appellant appealed to this court. Leave to appeal was granted based on the following questions, *ie*, (i) whether for the purpose of s. 46(1)(b) of the Act, the court must first decide the competing rights of the parties involved before it decides whether an applicant is a "person aggrieved" under s. 46 of the Act (ii) whether for the purpose of s. 46(1)(b) of the Act, the "registered user" referred to in the said section includes a person who has obtained a license to use the registered trade mark but not registered as a registered user pursuant to s. 48(1) of the Act; and (iii) whether for the purpose of s. 46(1)(b) of the Act, the effective period of the permitted use of a registered trade mark by a user under s. 48(1) of the Act read together with reg. 81(2) of the Trade Marks Regulations 1997 ('TMR') may pre-date the application as "registered user" under s. 48(1) of the Act.

Held (dismissing the appeal with costs of RM25,000)
Per Zulkefli Makinudin CJ (Malaya) delivering the judgment of the court:

(1) The threshold question for the purpose of s. 46(1)(b) of the Act is whether the applicant is a "person aggrieved" such as to have the necessary *locus standi* to make the application and to invoke the court's jurisdiction. A "person aggrieved" in this context may also include someone with simply a *bona fide* intention to use a trade mark that is registered but which has not been used by the registered proprietor or any registered user for a continuous period of not less than three years up to one month before the date of an application under s. 46(1)(b) of the Act to expunge. Thus, a "person aggrieved"

may have no rights at all but merely a genuine intention to use a registered trade mark which has not been used by the registered proprietor. (para 14)

(2) The issue of competing rights was not an issue herein. Even before the application for expungement, the appellant had unlawfully been using the infringing mark "Squiggle" which was confusingly similar to the registered trade mark. Hence, applying the principle of construction *in bonam partem*, the appellant could not be regarded as being a *bona fide* "person aggrieved" or a person who was lawfully aggrieved for the purpose of s. 46(1)(b) of the Act. (paras 14, 17 & 18)

(3) The contractual activities between the respondent and Gardenia were not refuted and undeniable. As a matter of law, these activities amounted to use and attributed to the respondent, even if Gardenia was not the "registered user" in the context of s. 48 of the Act. (para 21)

(4) Regulation 81(2) TMR merely deems that the date of entry in the register as a registered user is the date on which the application was made. This regulation does not prescribe the scope of the registered user's use of the registered trade mark. (para 24)

(5) The courts have recognised that the effective period of use for a mark by a registered user may pre-date the date of application for registration. There is nothing in s. 46 of the Act or reg. 81(2) TMR which could be read to preclude the use of a trade mark by a registered user to be in force retrospectively before the date of application to register. Further, s. 48(1) of the Act clearly recognises the pre-existence of the licensing agreement between the proprietor and the intended user. (paras 26 & 27)

Bahasa Malaysia *Translation Of Headnotes*

Responden merupakan pemilik berdaftar cap dagangan "Squiggles" ('cap dagangan tersebut') di bawah Kelas 30 melalui sijil pendaftaran bertarikh 20 Ogos 2004. Perayu, sebuah syarikat sendirian berhad yang terlibat dalam perniagaan, antara lain, menghasilkan pelbagai jenis roti dan ban, berhujah bahawa ianya telah menghasilkan ban berinti krim dan produk ini telah dijual

dengan menggunakan cap dagangan "Squiggle" sejak November 2007. Gardenia Bakeries (KL) Sdn Bhd ('Gardenia') merupakan subsidiari responden. Melalui satu perjanjian pelesenan bertarikh 12 September 1996, Gardenia telah diberikan hak untuk menggunakan cap dagangan yang dimiliki atau diperolehi oleh responden dan ini termasuk cap dagangan tersebut. Responden menyatakan bahawa Gardenia telah menggunakan cap dagangan tersebut sejak 3 Julai 2003 setelah menandatangani perjanjian pelesenan dan juga merupakan pengguna berdaftar. Perayu telah memfailkan permohonan untuk menghapuskan cap dagangan tersebut di bawah s. 46(1)(b) Akta Cap Dagangan 1976 ('Akta') di mana perayu berhujah bahawa lebih daripada satu bulan sebelum permohonan untuk penghapusan tersebut dibuat, satu tempoh berterusan tidak kurang daripada tiga tahun telah luput di mana responden tidak menggunakan cap dagangan itu dengan suci hati. Oleh itu, perayu menuntut bahawa ianya merupakan "pihak terkilan" di bawah s. 46(1)(b) Akta. Mahkamah Tinggi tidak membenarkan permohonan perayu memandangkan perayu telah melanggar dan melakukan kelirupaan terhadap cap dagangan berdaftar responden. Keputusan ini telah disahkan oleh Mahkamah Rayuan di mana ianya telah diputuskan bahawa perayu merupakan penceroboh cap dagangan berdaftar responden dan adalah bertentangan dengan Akta untuk mengizinkan perayu sebagai "pihak terkilan". Tidak puas hati dengan keputusan tersebut, perayu telah merayu ke mahkamah ini. Kebenaran untuk merayu dibenarkan berdasarkan soalan-soalan berikut, iaitu, (i) sama ada bagi maksud s. 46(1)(b) Akta, mahkamah perlu memutuskan hak persaingan pihak-pihak yang terbabit sebelum membuat keputusan sama ada perayu adalah "pihak terkilan" di bawah s. 46 Akta (ii) sama ada bagi maksud s. 46(1)(b) Akta, "pengguna berdaftar" yang dirujuk di dalam seksyen tersebut merangkumi pihak yang telah memperolehi lesen untuk menggunakan cap dagangan berdaftar itu tetapi tidak berdaftar sebagai pengguna berdaftar berdasarkan s. 48(1) Akta dan (iii) sama ada bagi maksud s. 46(1)(b) Akta, tempoh efektif penggunaan yang dibenarkan untuk cap dagangan berdaftar oleh seorang pengguna di bawah s. 48(1) Akta dibaca bersama per. 81(2) Peraturan-Peraturan Cap Dagangan 1997 ('PCD') boleh mendahului tarikh permohonan sebagai "pengguna berdaftar" di bawah s. 48(1) Akta.

Keputusan (menolak rayuan dengan kos sebanyak RM25,000) Oleh Zulkefli Makinudin HB (Malaya) menyampaikan penghakiman mahkamah:

(1) Persoalan puncak bagi maksud s. 46(1)(b) Akta adalah sama ada pemohon merupakan "pihak terkilan" yang mempunyai *locus standi* untuk membuat permohonan dan membangkitkan bidangkuasa mahkamah. "Pihak terkilan" dalam konteks ini juga merangkumi seseorang yang mempunyai niat *bona fide* untuk menggunakan cap dagangan yang telah berdaftar tetapi tidak pernah digunakan oleh pemilik berdaftar atau pengguna berdaftar bagi tempoh berterusan yang tidak kurang daripada tiga tahun sehingga satu bulan sebelum permohonan di bawah s. 46(1)(b) Akta untuk penghapusan dibuat. Oleh itu, suatu "pihak terkilan" mungkin tidak mempunyai hak sama sekali tetapi niatnya adalah ikhlas untuk menggunakan cap dagangan berdaftar yang masih belum digunakan oleh pemilik berdaftar.

(2) Isu berkenaan hak persaingan bukanlah satu isu di sini. Bahkan sebelum permohonan untuk pemansuhan dibuat, perayu dengan salah telah menggunakan tanda "Squiggle" yang seakan cap dagangan berdaftar itu. Oleh itu, dengan menggunakan prinsip *in bonam partem*, perayu tidak boleh dianggap sebagai "pihak terkilan" atau seseorang yang terkilan dengan sah bagi maksud s. 46(1)(b) Akta.

(3) Aktiviti di bawah kontrak antara responden dan Gardenia tidak boleh disangkal. Sebagai suatu perkara perundangan, aktiviti ini bermaksud untuk penggunaan dan dikaitkan kepada responden, walau pun jika Gardenia bukanlah "pengguna berdaftar" dalam konteks s. 48 Akta.

(4) Peraturan 81(2) PCD menyifatkan bahawa tarikh pemasukan di dalam daftar sebagai pengguna berdaftar adalah tarikh di mana permohonan telah dibuat. Peraturan ini tidak menetapkan skop penggunaan pengguna berdaftar berkenaan cap dagangan berdaftar itu.

(5) Mahkamah telah mengiktiraf bahawa tempoh sah penggunaan sesuatu cap dagangan oleh pengguna berdaftar boleh mendahului tarikh permohonan untuk pendaftaran. Tiada apa-apa di dalam s. 46 Akta atau per. 81(2) PCD yang boleh dibaca untuk menghalang penggunaan cap dagangan oleh

pengguna berdaftar untuk berkuatkuasa retrospektif sebelum tarikh permohonan untuk berdaftar. Lagipun, s. 48(1) Akta telah dengan jelas mengikhtiraf kewujudan perjanjian pelesenan di antara pemilik dan pengguna yang berniat.

Case(s) referred to:
E-Toyo Global Stationery Sdn Bhd v. Toyo Ink Sdn Bhd & Anor [2004] 7 CLJ 368 HC ***(refd)***
McLaren International Ltd v. Lim Yat Meen [2009] 4 CLJ 749 FC ***(refd)***

Legislation referred to:
Trade Descriptions Act 1972, s. 16(1)
Trade Marks Act 1976, ss. 46(1)(b), 48(1), (2)
Trade Marks Regulations 1997, reg. 81(2)

Other source(s) referred to:
Bennion on Statutory Interpretation, 5th edn, Lexis Nexis, 2005, p 792

For the appellant - Gan Khong Aik (Tai Foong Lam with him); M/s Gan Partnership
For the respondent - Darryl SC Goon (YH Loke with him); M/s Raja, Darryl & Loh

[Appeal from Court of Appeal; Civil Appeal No: W-02-888-2008]

[Editor's note: For the Court of Appeal judgment, please see LB (Lian Bee) Confectionary Sdn Bhd lwn. QAF Ltd & Satu Lagi Dan Satu Kes Yang Lain [2011] 7 CLJ 797.]

Reported by Kumitha Abdul Majid

JUDGMENT

Zulkefli Makinudin CJ (Malaya):

Introduction

[1] This is an appeal by the appellant against the decision of the Court of Appeal in dismissing the appellant's appeal against the decision of the High Court. There were two applications before the High Court filed by the respective parties. The appellant's application was to expunge the respondent's registered trade mark "Squiggles" pursuant to s. 46(1)(b) of the Trade Marks Act 1976

A ("TMA") ("Application to Expunge"). The respondent's application was for a trade descriptions order pursuant to s. 16(1) of the Trade Descriptions Act 1972 ("Application for TDO") in respect of the respondent's use of the mark "Squiggles". Both applications were heard together in the High Court and on appeal at the
B Court of Appeal. Both applications were decided in favour of the respondent at the High Court and Court of Appeal. The application to expunge was dismissed against the appellant with costs. The application for TDO was allowed.

C **Leave To Appeal**

[2] Leave to appeal to this court was granted on the following questions:

Question 1

D

Whether for the purpose of s. 46(1)(b) of the Trade Marks Act 1976, the Court must first decide the competing rights of the parties involved before it decides whether an applicant is a "person aggrieved" under s. 46 of the same Act.

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Question 2

Whether for the purpose of s. 46(1)(b) of the Trade Marks Act 1976, the "registered user" referred to in the said s. 46(1)(b) includes a person who has obtained a license to
F use the registered trade mark but not registered as a registered user pursuant to s. 48(1) of the Trade Marks Act 1976.

Question 3

G

Whether for the purpose of s. 46(1)(b) of the Trade Marks Act 1976 the effective period of the permitted use of a registered trade mark by a user under s. 48(1) of the Trade Marks Act 1976 read together with the reg. 81(2) of the Trade Marks Regulations 1997 may predate the application as "registered user" under s. 48(1) of the Trade Marks Act 1976.

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[3] The appeal to this court relates only to the appellant's application to expunge. The appellant did not seek leave to appeal against the order of the Court of Appeal dismissing its appeal in relation to the application for TDO.

I

The Case For The Appellant

[4] The appellant is a private limited company incorporated in Malaysia on 8 February 1990. It is engaged in the business of manufacturing, producing, dealing in all kind of cakes, biscuits, bread, sweets, buns and other food-stuff in Malaysia. The appellant contended that it had produced cream filled buns and sold these products using the trade mark "Squiggle" ("Infringing Mark") since November 2007 and has extensively advertised and promoted it in Malaysia. It is also the appellant's contention that it is the common law owner of the mark "Squiggle" in Malaysia.

[5] The appellant claimed that it is the person aggrieved under s. 46(1)(b) of the TMA. This is because due to the respondent's registered trade mark the appellant could not lawfully use the trade mark of its choice. As regard the merits of its case the appellant contended that up to one month before the application to expunge was made a continuous period of not less than three years had lapsed during which the respondent's trade mark was a registered trade mark and during which there was no use in good faith of the respondent's registered trade mark by the respondent as the registered proprietor or any user registered by the respondent in accordance with the TMA.

[6] The appellant further claimed that the effective date of the period of use of the respondent's registered trade mark by Gardenia Bakeries (KL) Sdn Bhd as the registered user under the TMA cannot be back-dated to a date prior to the date of its registration as registered user by the respondent.

The Case For The Respondent

[7] The respondent is a company listed on the Stock Exchange of Singapore. It is primarily in the food manufacturing and bakery industry. It owns 79% of one Gardenia Bakeries (KL) Sdn Bhd ("Gardenia"). Gardenia is thus a subsidiary of the respondent. By licensing agreement dated 12 September 1996 ("licensing agreement"), the respondent claimed it granted *inter alia* the following rights to Gardenia:

(i) operate bakery plants in West Malaysia by utilizing the Gardenia Bakery System;

A (ii) use trade marks that are owned or acquired by the respondent on bread and bakery products manufactured utilizing the Gardenia Bakery System. This includes the respondent's registered trade mark "Squiggles"; and

B (iii) produce, sell and distribute bread and bakery products bearing trade marks that are owned or acquired by the respondent.

[8] The respondent claimed it is the registered proprietor of the registered trade mark "Squiggles" under class 30 in respect of "bread, buns, pastry, bread rolls, confectionery, biscuits and cakes" C under Trade Mark Registration No. 01005742 *via* a Certificate of Registration dated 20 August 2004 ("Registered Trade Mark"). The said registration is, and has been at all times, valid and subsisting. The application for registration was made on 9 May 2001. The said registration was gazetted on 22 April 2004. The D certificate of registration was issued on 20 August 2004.

[9] Gardenia is the registered user of the respondent's registered trade mark "Squiggles" with an effective date of 9 May 2001 until 31 March 2011. The application to register Gardenia as a E registered user was made on 3 April 2008. The certificate of registered user was issued on and dated 8 April 2008. The respondent claimed that Gardenia has used the Registered Trade Mark "Squiggles" in Malaysia since about 3 July 2003 upon the signing of licensing agreement and also as a registered user.

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Findings Of The High Court

[10] The learned judge of the High Court in arriving at his decision made the following essential findings against the appellant:

G (i) that the appellant is not a "person aggrieved" under s. 46(1) of the TMA and therefore has no *locus standi* to bring about the application;

(ii) that there was "use" in good faith of the Registered Trade H Mark by Gardenia as the registered user and which use under the TMA is deemed to be used by the respondent as the registered proprietor;

(iii) that there was "use" in good faith of the Registered Trade I Mark by the respondent as the registered proprietor through Gardenia as its licensee; and

(iv) that the appellant had infringed and passed off the respondent's Registered Trade Mark.

Findings Of The Court Of Appeal

[11] The Court of Appeal affirmed the decision of the High Court and its findings and dismissed the appellant's appeal against the High Court's decision disallowing the appellant's application to expunge. The Court of Appeal in particular agreed with the High Court's findings that the appellant is an infringer of the Registered Trade Mark and held the view that it is contrary to the spirit of the TMA to accord the appellant, an infringer with an "aggrieved person" tag.

Decision

[12] It is significant to note at the outset that the appellant's Infringing Mark, that is "Squiggle" differs from the respondent's Registered Trade Mark "Squiggles" only in the absence of the letter "s". Both trade marks are used in respect of the same goods, that is cream-filled buns.

[13] We shall first deal with the first question posed in this appeal. It is to be noted that learned trial judge of the High Court in determining whether the appellant is a "person aggrieved" for the purpose of s. 46(1)(b) of the TMA and whether the appellant had any rights to the Registered Trade Mark had duly considered the entire facts and circumstances of this case. Section 46(1)(b) of the TMA provides as follows:

> (1) Subject to this section and to section 57, the Court may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered on the ground:
>
> (a) ...
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> (b) that up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being.

[14] The threshold question for the purposes of s. 46(1)(b) of the TMA is whether the applicant is a "person aggrieved" such as to have the necessary *locus standi* to make the application and to invoke the court's jurisdiction. We are of the view that this is not an issue of "competing rights" as in the way the question is posed by the appellant. A "person aggrieved" under s. 46(1) of the TMA need not be a person with any specific right. A "person aggrieved" in this context may include someone with simply a *bona fide* intention to use a trade mark that is registered but which has not been used by the registered proprietor or any registered user for a continuous period of not less than three years up to one month before the date of an application under s. 46(1)(b) of the TMA to expunge. On this point in the case of *McLaren International Ltd v. Lim Yat Meen* [2009] 4 CLJ 749, Abdul Aziz Mohamad FCJ in delivering the judgment of this court had this to say:

> [21] *Re Arnold D Palmer* is an authority (out of several) that is heavily relied on by the respondent to deny that the appellants are a person aggrieved. In that case, the applicant sought the removal from the register of a trade mark on the ground of non-user. On whether the applicant was a person aggrieved, Chan Sek Keong JC, after considering the speeches of Lord Herschell and Lord Watson in the House of Lords in *Powell's Trade Mark* [1894] 11 RPC 4; [1984] AC 8, and the manner in which subsequent judges reacted to the opinions of the said Law Lords in *Lever Bros, Port Sunlight Ltd. v. Sunniwite Products Ltd* [1949] 66 RPC 84, *Consort Trade Mark* [1980] RPC 160, and *Wells Fargo Trade Mark* [1977] RPC 503 concluded as follows:
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> On the basis of these decisions, it is plain that the applicant will fail in this appeal unless he can show that he has used his trade mark in the course of a trade which is the same as or similar to that of the respondents or that he has a genuine and present intention to use the mark as a trademark. But the evidence shows none of these things, as the Registrar has found ...
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> [22] We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trademark - **or who has a genuine and present intention to use his mark as a trademark** - in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register. (emphasis added)

Thus a "person aggrieved" may have no rights at all but merely a genuine intention to use a trade mark that is registered but which has not been used by the registered proprietor.

[15] In the present case the learned judge of the High Court when analyzing whether the appellant was a "person aggrieved" had rightly taken into account the conduct of the appellant. In addition, the learned judge also made a finding as to the appellant's claim to be the common law owner of the trade mark "Squiggle". On this he found that the appellant's claim was misconceived. The learned judge was in fact clearly concerned with whether the appellant may be regarded as a *bona fide* "person aggrieved" for the purposes of s. 46(1) of the TMA. In considering the material facts, the learned judge took into account that the appellant was an infringer of the respondent's Registered Trade Mark "Squiggles". The respondent's Registered Trade Mark "Squiggles" was registered on 20 August 2004 and the appellant had been using the trade mark "Squiggle" on the same goods only since 2007. The learned judge also held that the appellant had not shown how it would be substantially damaged or prejudiced if the respondent's Registered Trade Mark "Squiggles" were to remain on the Register.

[16] It is noted that the learned judge did actually make a finding that the appellant had no right to the trade mark "Squiggle" and thus there is no "competing right" between the appellant and the respondent to be considered. In his judgment, the learned judge held:

> Lian Bee's contention of being the common law owner and proprietor of the mark "Squiggle" is misconceived. The Court is satisfied that, that mark is in itself an infringement of the Registered Trade Mark and a passing off on the goodwill and reputation associated with it. Not anybody can be an 'aggrieved person' for the purpose of section 46 TMA. He must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered trade mark. The interest and right must be legal or lawful. It does not apply to an infringer of the said registered trade mark.

[17] We are in agreement with the learned judge's findings that as an infringer and as to what may be regarded as a "policy" ground, the appellant cannot be regarded as a "person aggrieved"

for the purposes of s. 46(1) of the TMA. There is a juristic support for this "policy" approach by the leaned judge which was upheld by the Court of Appeal. As a matter of statutory interpretation, the courts have long applied the principle of construction *in bonam partem*. On this point a useful reference can be made to *Bennion on Statutory Interpretation*, 5th edn, Lexis Nexis, 2005 at p. 792 wherein a passage is reproduced as follows:

> Construction *in bonam partem*. In pursuance of the principle that law should serve the public interest, the courts have evolved the important technique known as construction *in bonam partem* (in good faith). If a statutory benefit is given on a specified condition being satisfied, **it is presumed that Parliament intended the benefit to operate only where the required act is performed in a lawful manner**.
>
> **Construction *in bonam partem* is related to three specific legal principles. The first is that a person should not benefit from his own wrong**. Next is the principle *allegans suam turpitudinem non est audiendus*. **If a person had to prove an unlawful act in order to claim the statutory benefit, this maxim would preclude him from succeeding**. The third related principle is stated by Coke in the words *ubi quid generaliter conceditur inest haec exceptio si non aliquid sit contra jus fasque* (**where a grant is in general terms there is always an implied provision that it shall not include anything which is unlawful or immoral**). (emphasis added)

[18] In accordance with the principle of construction *in bonam partem*, it is noted that the learned trial judge had found that the appellant had been infringing the Registered Trade Mark "Squiggles" since 2007. The Registered Trade Mark "Squiggles" was registered on 20 August 2004. Until its expungement, the registered trade mark remains a registered trade mark. In this case, even before the application for expungement, the appellant had unlawfully been using the Infringing Mark "Squiggle" which is confusingly similar to the Registered Trade Mark. Applying the principle of construction *in bonam partem*, the appellant cannot be regarded as being a *bona fide* "person aggrieved" or a person who is lawfully aggrieved for the purposes of s. 46(1)(b) of the TMA. Furthermore, if the appellant is to be regarded as a "person aggrieved" for the purposes of s. 46(1)(b) of the TMA, it would mean that all infringers may apply to expunge the very trade mark

they have been infringing and this would be contrary to the time-honoured principle of not allowing them to benefit from their very own wrong or unlawful act.

[19] It is also to be noted that the learned judge of the High Court did not decide the entire case on his finding as to whether the appellant was a "person aggrieved" or not. From his judgment it can be seen very clearly that the learned judge went on further to consider whether there was any non use of the registered trade mark by the respondent as the registered proprietor or by Gardenia, the respondent's registered user. In so doing, the learned judge clearly found that contrary to the conditions set out in s. 46(1)(b) of the TMA, there was a continuous use by Gardenia as the respondent's registered user of the Registered Trade Mark "Squiggles" and also a continuous use by the respondent as the registered proprietor by reason of Gardenia's use of the Registered Trade Mark "Squiggles" *qua* licensee of the respondent.

[20] We shall now deal with the second question. It is noted that neither the High Court nor the Court of Appeal held that the "registered user" referred to in the said s. 46(1)(b) includes a person who has obtained a license to use the registered trade mark but not registered as a registered user pursuant to s. 48(1) of the TMA. What the learned judge found was that there was use of the Registered Trade Mark by the registered user Gardenia. The learned judge further found that in the alternative, there was use of the Registered Trade Mark by the registered proprietor, the respondent, by reason of the use thereof by its licensee, Gardenia.

[21] As regards the use by Gardenia as the respondent's licensee being equated to use by the respondent, the learned judge was right in holding that the contractual activities between QAF Ltd (the respondent) and Gardenia are not refuted and undeniable. Accordingly, as a matter of law we are in agreement with the learned judge that these activities must amount to use and attributed to QAF Ltd., even if Gardenia was not the "registered user" in the context of s. 48 of the TMA.

[22] On the third question posed in this appeal we are of the view the concept of "registered user" has to be first understood in line with the provisions as provided for under Part IX of the TMA and its governing ss. 48 to 52 and reg. 81(2) of the Trade

A Marks Regulations 1997 ("TMR"). The application to register a registered user is governed by s. 48(2) of the TMA which provides as follows:

> (2) Where it is proposed that a person shall be registered as a
B registered user of a trade mark, the registered proprietor shall submit an application to the Registrar for the registration of that person as a registered user of the trade mark and such application shall be accompanied by the prescribed fee and the following information:
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> C (a) the representation of the registered trade mark;
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> (b) the names, addresses, and addresses for service of the parties;
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> (c) the goods or services in respect of which the registration is
D proposed;
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> (d) any conditions or restrictions proposed with respect to the characteristics of the goods or services to the mode or place of permitted use or to any other matter; and
>
> E (e) whether the permitted use is to be for a period or without limit of period and if for a period, the duration of that period.

[23] As can be seen from the said s. 48(2) of the TMA the application to register a registered user is made by the registered proprietor of a given registered trade mark accompanied by a
F prescribed fee and prescribed information.

[24] Regulation 81(2) TMR provides as follows:

> 81. Entry of registered user
>
> G (1) ...
>
> (2) The date on which the application was duly made under regulation 80 shall be deemed to be the date on which the person mentioned in the entry in the Register as a registered user was so registered.
>
> H

Regulation 81(2) merely deems that the date of entry in the register as a registered user is the date on which the application was made. This regulation does not prescribe the scope of the registered user's use of the registered trade mark.

I

[25] It is to be noted that the scope and duration of the registered user's use of a given trade mark is however set out in the certificate of registered user. This is among the required information for registration of a registered user under s. 48(2) of the TMA. In this case, the certificate of registered user *vis-à-vis* Gardenia sets out the following:

> maklumat Pengguna Berdaftar telah direkodkan seperti berikut:
>
> Nama: Gardenia Bakeries
>
> Alamat: Lot 3, Jalan Pelabur 23/1
> 40300 Shah Alam
> Selangor Darul Ehsan
> Malaysia
>
> Senarai Barangan: Seperti yang telah didaftarkan dalam Kelas 30.
>
> Tempoh Penggunaan: Sehingga 31.03.2011
>
> Tempoh Kuatkuasa: 09.05.2001

[26] The courts have recognized that the effective period of use of a mark by a registered user may pre-date the date of application for registration of a registered user. On this point in the case of *E-Toyo Global Stationery Sdn Bhd v. Toyo Ink Sdn Bhd & Anor* [2004] 7 CLJ 368, it was found that:

> Since 25 July 2002, the second respondent became a registered user and has the licence or was authorized to 'use' the 'TOYO' mark on stationery goods by way of a registered user agreement which was duly registered on the Trade Marks Register on 11 October 2002.
>
> Since 3 March 2004, a third party, Toyo Stationery Corporation (M) Sdn Bhd (not a party to this action) became a registered user and has the licence or was authorized to 'use' the 'TOYO' mark on stationery goods by way of a Novation cum Registered User Agreement, which was duly registered on the Trade Marks Register on 23 March 2004.

[27] As rightly found by the Court of Appeal there is nothing in s. 46 of the TMA or reg. 81(2) of the TMR which could be read to preclude the use of a trade mark by a registered user to be in force retrospectively before the date of the application to register the registered user. We are also of the view s. 48 of the TMA

must be applied purposely and meaningfully, and must meet commercial realities and objectives. It cannot be right that a "registered user" status, including the recognized period of use, takes effect only on the date of registration of the user status. Section 48(1) clearly recognizes the pre-existence of the licensing agreement between the proprietor and the intended user by virtue of the opening words: "where the registered proprietor of a trade mark grants, by lawful contract, a right to any person to use the trade mark ..."

Conclusion

[28] For the reasons abovestated our answers to the first and second questions are both in the negative and for the third question in the affirmative. Consequently we would dismiss the appellant's appeal with costs. We award a sum of RM25,000 to the respondent as costs. The deposit is to be paid to the respondent towards costs.